APPENDIX I.

CALCULATION OF PAID-UP POLICIES AND SURRENDER VALUE.

GENERAL.

The amount of surrender value to be paid on policies, under all the tables, which are in force (more than one year and) for less than three years, is fixed at 25 per cent of the amount paid, until further orders.

2. No Paid-up Policy can be issued, if a policy has not been in force and premiums paid for three complete years. In regard to Paid-up Policies the amount shall be taken at the nearest integral rupee to the amount brought up by the calculations. Thus, for instance, if the calculations give a Paid-up-Policy of Rs. 314-4-0 or less, the amount to be granted will be Rs. 314, or if the calculations give a Paid-up Policy of Rs. 314-5 or over, the Paid-up Policy will be Rs. 315.

3. In the case of ordinary whole Life Policies which have been in force not less than three years, the surrender value is first calculated, and from that will be obtained the Paid-up Policy; while in the case of whole Life Policies by limited payments, and all Endowment Assurance Policies, the Paid-up Policy will be calculated first and the surrender value will be derived therefrom.

TABLE I.

ORDINARY WHOLE LIFE POLICIES, PREMIUMS PAYABLE THROUGHOUT LIFE.

4. The surrender value of these Policies is calculated according to the amount of premiums paid. It varies from 30 per cent to 40 per cent of the premiums paid, according to the durations, as follows:—

Duration from	3 to 5	complete years,	30	per cent	of the premiums paid.
"	6	complete years.	31	"	"
"	7	"	32	"	"
"	8	"	33	"	"
"	9	"	34	"	"
"	10	"	35	"	"
"	11	"	36	"	"
"	12	"	37	"	"
"	13	"	38	"	"
"	14	"	39	"	"
"	15	and over	40	"	"

If the premiums have been paid for complete years and a fraction, then the premium paid for the fraction will be taken into account, in calculating the surrender value.

5. To find the Paid-up Policy which may be taken in lieu of Surrender Value, the Surrender Value calculated as above, will be multiplied by the number in the column 'M' in the annexed table for the age next birthday at the time of the conversion.

6. If at a future time it be desired to find the surrender value of the Paid-up Policy, proceed as follows:—If the Paid-up Policy is to be surrendered within one year of its becoming Paid-up the surrender value of the original Policy which was employed in calculating the Paid-up Policy will be the surrender value of the Paid-up Policy. If however, the Paid-up Policy is to be surrendered after one year of becoming Paid-up, then to obtain the surrender value thereof, the Paid-up Policy must be multiplied by the number in column 'N' against the age next birthday of the life assured, at the date of surrender.

TABLE II.

WHOLE LIFE POLICIES BY LIMITED PAYMENTS.

7. In the first place find the amount of Paid-up Policy which can be granted. That amount of Paid-up Policy is calculated by taking it as the proportion to the original amount assured which the number of premiums paid for completed years bears to the total number payable under the original Policy. Thus, the premiums paid for fractions of a year are left out of account.

8. To calculate the surrender value at any time of the original Policy, the Paid-up Policy, calculated as above, must be taken, and its surrender value found exactly as in the case of Ordinary Whole Life Policies, that is, it must be multiplied by the number in column 'N' against the age next birthday of the life assured at the date of surrender. Similarly, at any future date the surrender value of the Paid-up Policy will be calculated in precisely the same way, the then age next birthday being taken.

TABLE III.

ENDOWMENT ASSURANCE POLICIES.

9. The treatment of Endowment Assurance Policies is very similar, as regards Paid-up Policies, to that of Whole Life Policies by limited payments, except that in the earlier years of the duration of the Policy, the Paid-up Policy must be reduced, according to the scale given below. Proceed as under:—

10. The amount of Paid-up Policy is calculated in the first place by taking that amount as the proportion to the original amount assured which the number of premiums paid for completed years bears to the total number payable under the Original Policy. Thus, the premiums paid for fractions of a year are left out of account. Then the amount of Paid-up Policy, so arrived at, is to be adjusted as follows:—

If premiums have been paid for	completed years	Reduce the Paid-up Policy calculated as above by 10 per cent.
"	4 "	" 8 "
"	5 "	" 6 "
"	6 "	" 4 "
"	7 "	" 2 "
"	8 and over	No reduction

11. To ascertain the surrender value of the Original Policy the column 'EA' in the annexed Table is to be used. The amount of Paid-up Policy must be multiplied by the number against the unexpired term in the Table. The unexpired term is the next higher Integral number of years, which the Policy has still to run until maturity. Thus, for instance, if the Policy has still to run from exactly 15 years to nearly 16 years, the unexpired term to be taken will be 16 years.

12. Similarly, to ascertain at any future time the surrender value of the Paid-up Policy, exactly the same course must be followed taking the then unexpired term as explained above to give the multiplier.

TABLE IV.

CHILDREN ENDOWMEMT POLICIES.

13. A lapsed Children Endowment Policy which has been in force for not less than three years may be exchanged for a fully Paid-up Policy, the amount of which shall bear the same proportion to the original amount assured, as the premium paid bears to the amount payable, if the insured lives till he completes the stipulated age.

14. A surrender value of not more than 40 per cent of the premium paid, without interest, will be paid on application in respect of policies which have been in force for more than three years.